

The Denver Post

editorial

U.S. PILT cash holds local taxes down

The Bush administration has proposed cutting payments to counties that serve tax-exempt federal lands. Congress should reject this false economy.

Sunday, April 24, 2005 -

It's an obscure acronym, but we are cheered to see that Colorado's congressional delegation is making a bipartisan effort to secure adequate funding for the embattled Payments in Lieu of Taxes (PILT) program.

We wish them well, because PILT is one of those rare federal programs that actually holds down local taxes. It follows, therefore, that a 12 percent cut in the program proposed by the Bush administration would likewise translate into tax increases or reduced services for Colorado taxpayers.

PILT channels money to counties in 49 states (all but Rhode Island) to make up for property taxes they can't collect on tax-exempt federal lands that are located within their boundaries. Such lands are administered by the Bureau of Land Management, the National Park Service, the Fish and Wildlife Service, the Forest Service, federal water projects and some military installations.

Most of that money goes to the 13 Western states - after all, they have the largest expanse of federal lands. The federal government owns 83 percent of Nevada, 68 percent of Alaska and 45 percent of California. Colorado ranks ninth in the amount of federal land - 24 million acres totaling 36.2 percent of the state - and received \$17.6 million in PILT money last year. Fifty-five of our 64 counties received funds last year. Payments ranged from \$151 in Washington County to \$1.6 million in Mesa County.

U.S. Rep. Mark Udall notes, "Many rural counties rely heavily on PILT monies to fund a wide variety of services such as law enforcement, firefighting, hospital care and education."

Counties also use PILT money to help finance search and rescue operations for hikers or skiers lost in public lands. Mineral development or timbering on public lands has also led to increased road damage from trucks and heavy equipment.

In 2004, Congress provided \$224 million for PILT, only about two-thirds of the \$331

million authorized by the law. After the administration proposed a \$27 million cut in PILT funds in the upcoming budget, Sen. Ken Salazar won Senate passage of a resolution for full funding at a level of about \$350 million - which, if upheld by the House, would mean about a 156 percent increase from this year's appropriation. Sen. Wayne Allard strongly supported the PILT funding.

Full funding may not survive the final budget process, but Washington should recognize its obligation and increase the PILT budget. The federal government is landlord over much of the West, and should be willing to shoulder some of the costs for roads and other services it now imposes on local taxpayers.